

What's New

News Flash



July 2017

Mauritius signs Multilateral Convention but India tax treaty not covered

Following the historic signing of the Multilateral Convention (MLI) by 68 countries on 07 June 2017, it was announced via a press releases issued by both the Organisation for Economic Co-operation and Development (OECD) and the Ministry of Finance and Economic Development of Mauritius on 05 July, 2017 that Mauritius has become the 69th country to have signed the MLI.

23 Double Taxation Avoidance Agreements (tax treaties) (Covered Tax Agreements – [CTAs]) have been included by Mauritius in the provisional list of reservations and notification submitted to OECD; this includes tax treaties with France, Germany, Italy, Luxembourg, Sweden and United Kingdom amongst others. However, the India-Mauritius tax treaty has not been included in the provisional list submitted by Mauritius.

The press release states that Mauritius will have a bilateral discussion with countries not covered by the MLI to implement the Base Erosion and Profit Shifting (BEPS) minimum standards latest by end of 2018.

In its provisional list of reservations and notification, Mauritius has reserved its right to not apply, in its entirety, Articles 12 to 15 of the MLI to the CTAs, which deals with artificial avoidance of permanent establishment status through commissionaire arrangements, specific activity exemption and splitting-up contracts and definition of persons closely related to an enterprise. Various other reservations have also been included in the provisional list submitted by Mauritius.

PwC Comment

On the backdrop of the India-Mauritius tax treaty not being included by Mauritius for the MLI, it needs to be seen to what extent the BEPS recommendations would be bilaterally agreed between the two countries.

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PwC TRS Team

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